

## **ADMINISTRATIVE PANEL DECISION**

SundaeSwap Labs, Inc. v. Cerci  
Case No. D2022-1049

### **1. The Parties**

The Complainant is SundaeSwap Labs, Inc., United States of America (“United States”), represented by Much Shelist PC, United States.

The Respondent is Cerci, United States.

### **2. The Domain Name and Registrar**

The disputed domain name <sundaeswap.help> (the “Domain Name”) is registered with Hostinger, UAB (the “Registrar”).

### **3. Procedural History**

The Complaint was filed with the WIPO Arbitration and Mediation Center (the “Center”) on March 25, 2022. On March 28, 2022, the Center transmitted by email to the Registrar a request for registrar verification in connection with the Domain Name. On March 29, 2022, the Registrar transmitted by email to the Center its verification response disclosing registrant and contact information for the Domain Name which differed from the named Respondent and contact information in the Complaint. The Center sent an email communication to the Complainant on March 29, 2022, providing the registrant and contact information disclosed by the Registrar and inviting the Complainant to submit an amendment to the Complaint. The Complainant filed an amendment to the Complaint on March 30, 2022.

The Center verified that the Complaint together with the amendment to the Complaint satisfied the formal requirements of the Uniform Domain Name Dispute Resolution Policy (the “Policy” or “UDRP”), the Rules for Uniform Domain Name Dispute Resolution Policy (the “Rules”), and the WIPO Supplemental Rules for Uniform Domain Name Dispute Resolution Policy (the “Supplemental Rules”).

In accordance with the Rules, paragraphs 2 and 4, the Center formally notified the Respondent of the Complaint, and the proceedings commenced on March 31, 2022. In accordance with the Rules, paragraph 5, the due date for Response was April 20, 2022. The Respondent did not submit any response. Accordingly, the Center notified the Respondent’s default on April 21, 2022.

The Center appointed W. Scott Blackmer as the sole panelist in this matter on April 29, 2022. The Panel finds that it was properly constituted. The Panel has submitted the Statement of Acceptance and Declaration of Impartiality and Independence, as required by the Center to ensure compliance with the Rules, paragraph 7.

#### 4. Factual Background

The Complainant is a business corporation established in May 2021 under the laws of the State of Wyoming, United States and headquartered in Greenbrae, California, United States. The Complainant's incorporators announced a DEX (a decentralized exchange) for cryptocurrency trading and related transactions in April 2021, registering the domain name <sundaeswap.finance> on April 4, 2021, setting up a Twitter account and tweeting on April 12, 2021, that "SundaeSwap is going live very soon!" A subreddit and Discord server were both established in April and soon had several hundred followers. The Complainant also posted some 40 articles on cryptocurrency on the Medium social media site beginning in May 2021. Screenshots archived by the Internet Archive's Wayback Machine show that the website associated with the domain name <sundaeswap.finance> (the "Complainant's website") displayed information about the Cardano blockchain platform and the Complainant's "roadmap" before January 20, 2022. According to the Complainant, this was when the Complainant's DEX trading application went live on the website and trading and related services commenced.

Since April 2021, the Complainant's website and social media have displayed the Complainant's unregistered SUNDAESWAP mark. This is a combination mark featuring the textual element SUNDAESWAP and a design representing an ice cream sundae. The Complainant has three pending applications before the United States Patent and Trademark Office ("USPTO") for registration of SUNDAESWAP as a standard character trademark, Numbers 90878057, 90878036, and 90878068, all filed on August 11, 2021, with amended statements alleging first use in commerce on January 21, 2022. The Complainant claims that this mark has been viewed by more than two million visitors to its website since it was launched in April 2021. According to the Complainant, tens of thousands of Medium readers have "clapped" (approved) the Complainant's posts, and the Complaint attaches evidence that it has 287,000 followers on Twitter, 108,000 members on its Discord server, 33,000 members on its subreddit, and a Telegram group with more than 20,000 members. The record includes citations as well to media reports featuring the Complainant in *The Motley Fool*, *Forbes*, *Newsweek*, *Business Insider*, and *Coindesk*.

According to the Whois database, the Domain Name was created on January 30, 2022. The Registrar reports that it is registered to the Respondent "Cerci", listing no organization, in Amherst, Massachusetts, United States. The contact email address listed in the registration includes the name Harvey Cerci, but there is no further information about such a person, and the Respondent did not reply to communications from the Complainant or from the Center.

The Complaint states that "[f]or a time" the Respondent used the Domain Name "to publish a website providing information about the Complainant's cryptocurrency services in a way that imitated the Complainant, including by using the Complainant's distinctive logo and copyrighted material. Copies of this use are no longer available, because as of the filing of this Complaint, the Respondent is passively holding the disputed domain name without publishing any active site there".

The Complaint does not attach a screenshot of the Respondent's former website, and the Panel notes that the Internet Archive's Wayback Machine does not include any screen captures associated with the Domain Name. At the time of this Decision, the Domain Name does not resolve to an active website.

## 5. Parties' Contentions

### A. Complainant

The Complainant asserts that its unregistered SUNDAESWAP mark has obtained "rapid recognition" on the Internet and social media, acquiring distinctiveness as a common law service mark and therefore satisfying the first element of the Policy:

"The SUNDAESWAP brand became enormously popular in a relatively short period (hundreds of thousands of enthusiasts in less than a year's time). This is precisely the type of 'relatively rapid recognition' that other UDRP panels have found to support trademark rights, even in the absence of a trademark registration. For example, in *Andrey Ternovskiy dba Chatroulette v. Envient* ('Chatroulette'), WIPO Case No. [D2018-2240](#), the panel found that although the complainant did not have any trademark registrations at the time the disputed domain name in that case was registered, it had rights in its CHATROULETTE mark. The panel noted how the Chatroulette platform had quickly become popular - it had gained thousands of daily visitors within a year of its launch. In the very same way, the facts of this case establish that the Complainant has trademark rights in SUNDAESWAP, and it had those rights when the disputed domain name was registered."

The Complainant argues that the Domain Name is identical to its arbitrary and distinctive SUNDAESWAP mark. The Complainant argues further that the Respondent has no relationship to the Complainant and no evident rights or legitimate interests in the Domain Name, as the Whois record does not disclose a corresponding name and there is no relevant use of the Domain Name to date.

The Complainant urges a finding of bad faith based on the registration and passive holding of a Domain Name identical to an arbitrary and rapidly popular mark, indicating the Respondent's familiarity with the mark, and the lack of any conceivable legitimate purpose, citing the leading decision in *Telstra Corp. Ltd. v. Nuclear Marshmallows* ("*Telstra*"), WIPO Case No. [D2000-0003](#).

"Stated differently, SUNDAESWAP is so closely linked and associated with the Complainant that the Respondent's use of this mark, or any minor variation of it, strongly implies bad faith – where a domain name is 'so obviously connected with such a well-known name and products . . . its very use by someone with no connection with the products suggests opportunistic bad faith" (quoting *Parfums Christian Dior v. Javier Garcia Quintas*, WIPO Case No. [D2000-0226](#)).

The Complainant contends, moreover, that the Respondent's former website demonstrated a knowledge of the Complainant's mark and an intent to exploit it, including a reproduction of the mark and copyrighted material from the Complainant's website.

### B. Respondent

The Respondent did not reply to the Complainant's contentions.

## 6. Discussion and Findings

Paragraph 4(a) of the Policy provides that in order to divest a respondent of a domain name, a complainant must demonstrate each of the following:

- (i) the domain name is identical or confusingly similar to a trademark or service mark in which the complainant has rights; and
- (ii) the respondent has no rights or legitimate interests in respect of the domain name; and
- (iii) the domain name has been registered and is being used in bad faith.

Under paragraph 15(a) of the Rules, “[a] Panel shall decide a complaint on the basis of the statements and documents submitted and in accordance with the Policy, these Rules and any rules and principles of law that it deems applicable”.

### **A. Identical or Confusingly Similar**

The first element of a UDRP complaint “functions primarily as a standing requirement” and entails “a straightforward comparison between the complainant’s trademark and the domain name”. See WIPO Overview of WIPO Panel Views on Selected UDRP Questions, Third Edition (“[WIPO Overview 3.0](#)”), section 1.7. Where standing is based on an unregistered mark, the complainant must adduce evidence that the mark has acquired distinctiveness, or secondary meaning, “to become a distinctive identifier which consumers associate with the complainant’s goods and/or services” (*id.* section 1.3)

Here, the Complainant announced a new business, with a distinctive and arbitrary name and combination mark, in April 2021. This was accompanied by an intense and sustained marketing campaign, largely on the Internet and social media, leading up to the commercial launch of the Complainant’s cybocurrency platform trading in January 2022, with over two million viewers. This is a relatively short period to establish acquired distinctiveness for an unregistered mark, and the record lacks sales and advertising figures. But the record documents hundreds of thousands of pre-launch views, as significant public recognition in national media, resulting in rapid take-up of the new service. This is the kind of circumstance described in *Chatroulette* and similar cases where the mark associated with a popular new online business is capable of building a large reputation quickly. See [WIPO Overview 3.0](#), section 1.3: “Particularly with regard to brands acquiring relatively rapid recognition due to a significant Internet presence, panels have also been considering factors such as the type and scope of market activities and the nature of the complainant’s goods and/or services.”

The Panel finds sufficient evidence in this proceeding to conclude that the Complainant’s unregistered SUNDAESWAP word mark and the combined mark in which the textual element SUNDAESWAP is a dominant feature have both acquired distinctiveness. The Domain Name incorporates the SUNDAESWAP mark in its entirety. As usual, the Top-Level Domain “.help” is disregarded as a standard registration requirement. See *id.* section 1.11.2.

The Panel concludes, therefore, that the Complainant has established the first element of the Complaint.

### **B. Rights or Legitimate Interests**

Paragraph 4(c) of the Policy gives non-exclusive examples of instances in which a respondent may establish rights or legitimate interests in a domain name, by demonstrating any of the following:

(i) before any notice to it of the dispute, the respondent’s use of, or demonstrable preparations to use, the domain name or a name corresponding to the domain name in connection with a *bona fide* offering of goods or services; or

(ii) that the respondent has been commonly known by the domain name, even if it has acquired no trademark or service mark rights; or

(iii) the respondent is making a legitimate noncommercial or fair use of the domain name, without intent for commercial gain to misleadingly divert consumers or to tarnish the trademark or service mark at issue.

Because a respondent in a UDRP proceeding is in the best position to assert rights or legitimate interests in a domain name, it is well established that after a complainant makes a *prima facie* case, the burden of production on this element shifts to the respondent to come forward with relevant evidence of its rights or legitimate interests in the domain name. See [WIPO Overview 3.0](#), section 2.1.

The Complainant has established trademark rights (rapidly well-known in its sector), a lack of permissive use, the Respondent’s apparent lack of a corresponding name, a brief use of the Domain Name for an imitative website, and the subsequent passive holding of the Domain Name. None of this suggests rights or

legitimate interests in the Domain Name, and the Respondent has not come forward with arguments or evidence of such. The Panel finds, therefore, that the Respondent has not met the burden of establishing rights or legitimate interests and concludes that the Complainant prevails on the second element of the Complaint.

### **C. Registered and Used in Bad Faith**

The Policy, paragraph 4(b), furnishes a list of circumstances that “shall be evidence of the registration and use of a domain name in bad faith”, including the following (in which “you” refers to the registrant of the domain name):

“(iv) by using the domain name, you have intentionally attempted to attract, for commercial gain, Internet users to your web site or other on-line location, by creating a likelihood of confusion with the complainant’s mark as to the source, sponsorship, affiliation, or endorsement of your web site or location or of a product or service on your web site or location.”

The list is expressly non-exclusive, and UDRP panels have long embraced the “passive holding” doctrine that bad faith can be found in registering and then holding a domain name pending possible resale or use for illicit purposes, even when there is no associated website, in circumstances where no legitimate use can be foreseen. See [WIPO Overview 3.0](#), section 3.3 and *Telstra, supra*.

The Complainant announced a new business, with a distinctive and arbitrary name and combination mark, in April 2021. The Complainant’s website and social media sites quickly attracted hundreds of thousands of enthusiastic viewers interested in cybercurrency trading. The Complainant launched a DEX platform on its website on January 20, 2022. It evidently began trading operations on January 21, 2022, the date claimed as “first use in commerce” in the Complainant’s three pending applications to register SUNDAESWAP as a word mark. The Respondent registered the Domain Name just nine days later, using a string identical to the Complainant’s SUNDAESWAP mark. The timing and the choice of the Domain Name are not likely to be merely coincidental. The Complainant had already filed its applications for a word mark, and there was a great deal of publicity surrounding the launch of its DEX platform. Thus, even if there was not an enormous sales volume associated with the Complainant’s common law mark by the time the Respondent registered the Domain Name, the evidence points to the Respondent’s registration in anticipation of attacking a successful mark. See [WIPO Overview 3.0](#), section 3.8.2 on the effect of publicity on “anticipatory mark-targeting” bad faith.

Moreover, the Respondent’s reported initial efforts to publish a website imitating the Complainant’s website, replete with copied text and logo, strongly suggest an attempt to capitalize on the Complainant’s reputation for commercial gain. It is difficult to conceive of a defensible reason for the Respondent’s conduct, and the Respondent has not come forward to offer one. The Panel finds on this record that the Respondent more likely than not registered and used the Domain Name in bad faith, both actively at first and then in the sense of passive holding.

The Panel concludes that the Complainant has established the third element of the Complaint, bad faith.

### **7. Decision**

For the foregoing reasons, in accordance with paragraphs 4(i) of the Policy and 15 of the Rules, the Panel orders that the Domain Name, <sundaeswap.help>, be transferred to the Complainant.

*/W. Scott Blackmer/*

**W. Scott Blackmer**

Sole Panelist

Date: May 13, 2022